

PRICING SUPPLEMENT

Series No: 2019 Series

Tranche No: 1

AusNet Services Holdings Pty Ltd

(ABN 97 086 006 859)

A\$4,000,000,000 Debt Issuance Programme

Guaranteed by certain related entities of the Issuer

Issue of

A\$350,000,000 2.60% Medium Term Notes ("Notes")

The date of this Pricing Supplement is 29 July 2019.

This Pricing Supplement (as referred to in the Information Memorandum dated 30 January 2018 in relation to the above Programme for medium term notes ("**Information Memorandum**")) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with the Note Deed Poll dated 20 January 2017 made by the Issuer specified in paragraph 1 below. The Notes will have the benefit of a guarantee initially from the Guarantors referred to in paragraph 2 below.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE: The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA), that the securities referred to herein, if issued, are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer	:	AusNet Services Holdings Pty Ltd (ABN 97 086 006 859)
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2	Guarantors	:	AusNet Gas Services Pty Ltd (ABN 43 086 015 036) AusNet Electricity Services Pty Ltd (ABN 91 064 651 118) AusNet Asset Services Pty Ltd (ABN 27 075 826 881) AusNet Transmission Group Pty Ltd (ABN 78 079 798 173)
3	If to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible, if not the Issue Date	:	Not applicable
4	Method of distribution	:	Syndicated Issue
5	Public Offer Test Compliant	:	It is the Issuer's intention that this issue of Notes will be issued in a manner which will satisfy the Public Offer Test
6	Dealers	:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (ABN 65 117 925 970) National Australia Bank Limited (ABN 12 004 044 937)
7	Joint Lead Managers	:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (ABN 65 117 925 970) National Australia Bank Limited (ABN 12 004 044 937)
8	Principal amount of Tranche	:	A\$350,000,000
9	If interchangeable with existing Series	:	Not applicable
10	Issue Date	:	31 July 2019
11	Purchase Price	:	99.064% of the principal amount of Tranche
12	Denomination	:	A\$10,000, provided that the minimum aggregate consideration for offers or transfers of the Notes in Australia must be at least A\$500,000 (disregarding moneys lent by the transferor or its associates to the transferee), unless the offer or invitation resulting in the transfer does not otherwise require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia
13	Maturity Date	:	31 July 2029
14	Type of Notes	:	Fixed Rate
15	If Notes are interest-bearing, specify whether they are:		

	(a) Fixed Rate	:	Yes, subject to Step Up Rating Change or Step Down Rating Change further particulars of which are set out in Schedule 2 to this Pricing Supplement
	(b) Floating Rate	:	No
	(c) Other Notes	:	No
16	If the Notes are Fixed Rate, specify	:	Condition 6 applies
	Fixed Coupon Amount	:	A\$130 per Denomination on each Interest Payment Date subject to Condition 9.7 (Step Up Rating Change or Step Down Rating Change), further particulars of which are set out in Schedule 2 to this Pricing Supplement
	Interest Rate	:	2.60% per annum, payable semi-annually in arrear, subject to Condition 9.7 (Step Up Rating Change or Step Down Rating Change), further particulars of which are set out in Schedule 2 to this Pricing Supplement
	Interest Commencement Date, if not Issue Date	:	Issue Date
	Interest Payment Dates	:	31 January and 31 July in each year commencing 31 January 2020 up to and including the Maturity Date, subject to the Business Day Convention
	Business Day Convention	:	Following Business Day Convention
	Day Count Fraction	:	RBA Bond Basis
18	If Notes are Structured Notes, specify	:	Not applicable
19	Maximum and Minimum Interest Rate	:	Not applicable
20	Default Rate	:	Interest Rate
21	Rounding	:	Condition 9.6 will apply
22	Amortisation Yield	:	Not applicable
23	Maturity Redemption Amount	:	Outstanding principal amount of the Notes
24	Early Redemption Amount (Put)	:	Not applicable
25	Early Redemption Amount (Call)	:	
	Early Redemption Date (Call)	:	On any date after the Issue Date which is specified by the Issuer in a redemption notice given to Holders
	Are the Notes redeemable before their Maturity Date at the option of the Issuer under Condition 10.6?	:	Yes, subject to the provisions of paragraph 25 of this Pricing Supplement

	If Early Redemption Amount (Call) is not the outstanding principal amount together with any interest accrued on the Notes, insert amount or full calculation provisions	:	Early Redemption Amount (Call) is the amount calculated in accordance with Schedule 1 to this Pricing Supplement
	Specify minimum notice period for the exercise of the call option	:	As per Condition 10.6(b), except that the Issuer will notify the Paying Agent and Registrar of its intention to give a redemption notice to Holders not less than 15 days before notice is given to the Holders
	Specify maximum notice period for the exercise of the call option	:	As per Condition 10.6(b), except that the Issuer will notify the Paying Agent and Registrar of its intention to give a redemption notice to Holders not less than 15 days before notice is given to the Holders
	Specify any relevant conditions to exercise of option	:	The Issuer may exercise the option in the event of any proposed or actual reorganisation, restructuring, amalgamation, merger, acquisition or disposal involving the Issuer or any Guarantor, which may otherwise constitute an event of default or breach of any other obligations of the Issuer or any Guarantor under the Conditions, Pricing Supplement, Note Deed Poll or Guarantee Deed Poll
	Specify whether redemption at Issuer's option is permitted in respect of some only of the Notes and, if so, any minimum aggregate principal amount and the means by which Notes will be selected for redemption	:	Not applicable (if redeemable, all Notes must be redeemed by the Issuer)
	Specify if Noteholders are not to receive accrued interest on early redemption at their option	:	See the Early Redemption Amount (Call) which is the amount calculated in accordance with Schedule 1 to this Pricing Supplement
26	Early Redemption Amount (Tax) – Condition 10.4	:	Applicable (Condition 10.4 applies)
	If Early Redemption Amount (Tax) is not the outstanding principal amount together with accrued interest (if any) thereon of the Notes, insert amount or full calculation provisions	:	Not applicable
	Specify if Noteholders are not to receive accrued interest on early redemption for tax reasons	:	Not applicable
28	Redemption of Zero Coupon Notes	:	Not applicable
29	Events of Default	:	As per Condition 15.1
30	Additional or alternate newspapers	:	No additional or alternate newspapers for the purposes of Condition 19.1(b)
31	Taxation	:	As per Condition 13

32	Other relevant terms and conditions	:	Not applicable (except as set out in this Pricing Supplement, including the Schedules to this Pricing Supplement)
33	Paying Agent, Registrar and Calculation Agent	:	Austraclear Services Limited
34	Clearing System	:	Austraclear System
35	ISIN	:	AU00000053241
36	Common Code	:	203508727
37	Additional selling restrictions	:	As set out in Schedule 3 to this Pricing Supplement
38	Listing	:	Australian Securities Exchange
39	Other amendments	:	Clause 12.1 of the Conditions is deleted and replaced with: "Payments of principal and any final Instalment Amount in respect of an MTN must be made to each person registered at the close of business on the Record Date as the holder of that MTN."

Schedule 1

Fixed Rate Notes – meaning of “Early Redemption Amount (Call)” for purposes of Condition 10.6

Early Redemption Amount (Call) means with respect to each Note:

- (i) the outstanding principal amount of such Note plus any accrued and unpaid interest and any accrued unpaid additional amounts which may be payable with respect to the Note to but excluding the Early Redemption Date (Call); or
- (ii) if higher, the sum, as determined by the Financial Advisor, of the present values of the remaining scheduled payments of principal and interest on such Note to be redeemed (not including any portion of such payments of interest accrued to the Early Redemption Date (Call)) discounted to the Early Redemption Date (Call) at the Reference Rate.

“Reference Rate” means, in respect of a Note, the semi-quarterly coupon matched asset swap rate expressed as a percentage per annum (calculated by referencing the semi-annual rate adjusted for the 6 month 3 month rate (as applicable)) as calculated by ICAP Australia Pty Ltd (**“ICAP”**) (determined using linear interpolation as necessary) to the maturity date of the Notes, as displayed on Bloomberg page “IAUS<Go>31<Go>” or other electronic media at or around 10:00am (Sydney time) three business days prior to the Early Redemption Date (Call) (or, if ICAP no longer calculates that rate or is it not displayed by Bloomberg, the rate determined by the Financial Advisor to be appropriate having regard to market rates and sources then available).

“Financial Advisor” means a financial institution authorised as an authorised deposit-taking institution in Australia under the Banking Act 1959 of Australia which has been appointed, from time to time, by the Issuer for the purposes of calculating the Early Redemption Amount (Call) and notified to the Calculation Agent.

Schedule 2

For the purposes of the Notes only, a new Condition 9.7 shall apply as follows:

9.7 Step Up Rating Change or Step Down Rating Change

(i) The Interest Rate payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change as follows:

(A) if the Notes are assigned a credit rating from the two Rating Agencies of Baa1/BBB+ (or equivalent) or better as at any Interest Payment Date, the Interest Rate payable on the Notes in respect of the Interest Period commencing on such Interest Payment Date shall be 2.60% per annum (the “**Initial Interest Rate**”). For the avoidance of doubt, the Interest Rate payable on the Notes shall remain at the Initial Interest Rate, notwithstanding any increase in the rating assigned to the Notes above Baa1/BBB+ (or equivalent);

(B) if in the Interest Period ending on the date immediately prior to an Interest Payment Date:

(a) either Rating Agency has announced a Step Up Rating Change, the Interest Rate payable on the Notes shall be adjusted such that the Interest Rate, with effect from the Interest Period commencing on such Interest Payment Date (subject to any further adjustment pursuant to this Condition), for each subsequent Interest Period thereafter, will increase above the Initial Interest Rate by an amount per Rating Agency equal to the percentage set out opposite the applicable lower rating of the Notes assigned by that Rating Agency in the table below:

Rating (or equivalent)	Applicable percentage adjustment per Rating Agency
Baa2/BBB	0.25
Baa3/BBB-	0.50
Ba1/BB+ (or lower)	1.00

For the avoidance of doubt, should one Rating Agency announce one or more Step Up Rating Changes that in aggregate result in the rating assigned to the Notes by that Rating Agency being Ba2/BB or lower (or equivalent), no further increase in the Interest Rate above the Initial Interest Rate plus 1.00% per annum shall occur in respect of Step Up Rating Changes announced by that Rating Agency.

Accordingly, if one Rating Agency assigns a rating of Ba2/BB or lower (or equivalent), the Interest Rate payable on the Notes shall be the Initial Interest Rate plus 1.00% per annum. If both Rating Agencies assign ratings of Ba2/BB or lower (or equivalent) the Interest Rate payable on the Notes shall be the Initial Interest Rate plus 2.00% per annum;

(b) either Rating Agency has announced a Step Down Rating Change which change remains in effect on the relevant Interest Payment Date, the Interest Rate payable on the Notes shall be adjusted such that the Interest Rate, with effect from the Interest Period commencing on such Interest Payment Date (subject to any further adjustment pursuant to this Condition), for each subsequent Interest Period thereafter, will decrease by either:

- i. 0.25% per annum per notch per Rating Agency for each notch above the rating which is assigned by that Rating Agency to the Notes immediately prior to the announced Step Down Rating Change (the “**Base Rating**”) if the Base Rating was at such time at Baa3/BBB- (or equivalent) or higher; or
- ii. (ii) an initial 0.50% per annum per Rating Agency if the Base Rating was at such time Ba1/BB+ (or equivalent) or lower plus an additional 0.25% per annum per notch per Rating Agency for every notch the newly assigned rating is above Baa3/BBB- (or equivalent);

until the Interest Rate equals the Initial Interest Rate (and for the avoidance of doubt, the Interest Rate shall never be less than the Initial Interest Rate);

(C) if on any Interest Payment Date a credit rating is:

- (a) assigned to the Notes by only one Rating Agency (and for so long as this remains the case), any increase in the Interest Rate payable on the Notes necessitated by a reduction in the rating by that Rating Agency shall be twice the applicable percentage set forth in this Condition; or
- (b) not assigned to the Notes by both Rating Agencies, the Interest Rate payable on the Notes in respect of the Interest Period commencing on such Interest Payment Date shall be the Initial Interest Rate plus 2.00% per annum until such Interest Payment Date on which there is once more a rating assigned to the Notes by at least one Rating Agency whereupon, from and including such Interest Payment Date, the Interest Rate shall be determined in accordance with the provisions of this Condition; and

(D) if in any Interest Period one or more Step Down Rating Changes and/or Step Up Rating Changes occurs, the Interest Rate applicable to the next following Interest Period shall be determined based on the ratings in effect as at the end of such Interest Period.

- (ii) The Issuer shall use its reasonable endeavours to maintain a credit rating for the Notes assigned by two Rating Agencies. If, notwithstanding such reasonable efforts, such Rating Agency or Rating Agencies fail to or cease to assign a rating to the Notes, the Issuer shall use its reasonable endeavours to obtain a rating of the Notes from another Rating Agency or another two Rating Agencies, as the case may be, and references in this Condition to a Rating Agency, or the ratings assigned thereby, shall be to such Rating Agency or, as the case may be, the equivalent ratings thereof.
- (iii) Notwithstanding any other provision of this Condition, there shall be no adjustment in the Interest Rate applicable to the Notes on the basis of any rating assigned to the Notes by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Notes.
- (iv) There shall be no limit on the number of times that adjustments to the Interest Rate payable on the Notes may be made pursuant to this Condition during the term of the Notes, provided always that at no time during the term of the Notes will the Interest Rate payable on the Notes be less than the Initial Interest Rate or more than the Initial Interest Rate plus 2.00% per annum.
- (v) The Issuer will cause the occurrence of an event giving rise to an adjustment in the Interest Rate payable on the Notes pursuant to this Condition to be notified to the Calculation Agent and notice thereof to be given to Noteholders in accordance with Condition 20 (Notices) as soon as possible after the occurrence of the relevant event but in no event later than the fourth Business Day thereafter.
- (vi) In these Conditions:

"Moody's" means Moody's Investors Service Pty Ltd and its successors or affiliates;

"Rating Agency" means each of S&P and Moody's and, only in the event that the Notes have ceased at any time to have a rating assigned to them by any of S&P and Moody's, any other credit rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates, and together, the "Rating Agencies";

"S&P" means Standard & Poor's and its successors or affiliates;

"Step Down Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Notes of an increase in, or confirmation of, a higher rating of the Notes but does not include any increase or confirmation of credit rating where the increased or confirmed credit rating is Ba1/BB+ (or equivalent) or lower; and

"Step Up Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Notes of a decrease in, or confirmation of, a lower rating of the Notes."

Schedule 3

Selling Restrictions

As per the Information Memorandum, provided that, for the purposes of the Notes only:

(a) the Singapore selling restriction set out in the Information Memorandum is replaced with the following:

“Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- 1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- 2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.”

(b) the European Economic Area selling restriction set out in the Information Memorandum is replaced with the following:

“Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering

contemplated by this Information Memorandum in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2017/1129 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.”

CONFIRMED

For and on behalf of
AusNet Services Holdings Pty Ltd

By: Alastair Watson
Authorised Officer

Date: 29/7/2019

Name: ALASTAIR WATSON
